



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

October 7, 2008

Gary Jones, Vice President, Human Resources
Dunn-Edwards Corporation
4885 E. 52nd Place
Los Angeles, CA 90040

Dear Mr. Jones:

RE: FINAL MONITORING VISIT REPORT for Dunn Edwards Corporation ET07-0112

Date of the Visit:	10/3/08
Beginning/Ending Time:	9:30 a.m. – 12:00 p.m.
Date of Last Visit:	3/21/08
Visit Location:	Los Angeles
Persons in attendance:	Curt Sanker, Training Manager, Dunn-Edwards Dale Williams, Regional Product Trainer, Dunn-Edwards Marilyn Dominguez, California Training Coalition (CTC) Marissa Tolentino, Contract Analyst, Employment Training Panel
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	12/01/06 – 11/30/08	Agreement Amount:	\$39,000
Training Start Date:	12/08/06	No. to Retain:	130
Date Training must be Completed:	08/31/08	Range of Hours:	24 - 50
Type of Trainee:	Retrainee	Weighted Ave. Hours:	33

FINAL REPORT SUMMARY:

The Agreement was executed on 2/7/07 and training began on 12/8/06. Your staff reported that all training was completed on 8/1/08, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – 11/30/08.

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (05/16/2007)

ETP approved one Agreement Amendment on June 20, 2008 to change the required minimum wage for trainees and include health benefits for trainees to meet the ETP minimum wage.

According to your project staff 110 trainees will complete training and the 90-day retention period. The Agreement is based on a variable reimbursement training plan. Contractor is reimbursed for the exact number of training hours provided to each trainee completing between 24 to 50 hours of Class/Lab training in either Business Skills, Computer Skills or Continuous Improvement. The ETP Class/Lab Tracking Report shows that you have delivered 4,290 class/lab training hours for 110 trainees who meet the minimum hours. Assuming all other Agreement requirements are met, Dunn Edwards would earn approximately \$38,966 (99.9 %) of the total ETP Agreement amount of \$39,000. Since you have been paid \$29,231.25 to date, you will receive an additional \$9,734.95 if the anticipated number to retain is verified during the final fiscal closeout. Project staff indicated that there are more trainees to complete the Agreement requirements and ETP training hours to report, however, the system does not allow them to report additional hours. Therefore, they are anticipating 100% earnings.

When asked by Ms. Tolentino on why project staff did not request an Amendment to increase ETP funding on this Agreement, project staff reported that although they were informed by Panel Members during the June 2006 Panel Meeting to submit an Amendment Request to increase the Agreement Amount, one was not submitted because they were focused more on employee training (ETP and non-ETP training) and meeting 100 percent performance in this Agreement.

Mr. Sanker stated that they did not experience any problems in ETP requirements or recordkeeping. Mr. Williams indicated that through ETP training, productions workers have a better understanding of the products that they produce, the importance of quality control and the purpose of their job duties. Mr. Sanker indicated that workers also learned how to streamline their work processes such as cycle counting and material handling. Mr. Sanker reported that Computer Skills training gave employees the knowledge and skills to use the company's computer system for paperless reporting.

According to Mr. Sanker, they will apply for another ETP-funded training project to include new Continuous Improvement topics and topics from this Agreement such as Point-of-Sales System that was not provided to many trainees.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	190	Completed Training:	110
Trainees Enrolled:	190	Completed Retention:	0
Dropped Following Enrollment:	80	In Retention Period:	110
Currently in Training:	0		

The data shown above is in agreement with ETP's Contract Status Report. Ms. Dominguez indicated that 80 trainees were dropped because you have exceeded the total number of training hours required in this Agreement.

ATTENDANCE ROSTERS:

To verify provision of training, Ms. Tolentino reviewed attendance records of 21 Job 1 trainees billed on Invoices 1 through 4. The records review revealed that the information currently required by ETP was properly documented on the sampling; you are in compliance with the ratio

of one trainer to 20 retrainees specified in the Agreement Training Plan; the Agreement curriculum was provided as specified. Also, the information reported on the ETP Tracking System matched the training hours reported on the applicable Class/Lab Rosters and Rosters validated the invoices for the completion of the required hours of training for enrollment and the Total Class/lab Training hours required in this Agreement.

Your project staff was advised that the above findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Your staff should verify that all your records are in conformance with ETP requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442(b)].

FINAL INVOICE:

Ms. Tolentino advised your project staff that the Final Invoice must be submitted within 30 days from the expiration date of the Agreement and if more time was required, you should request for an extension by writing to Kulbir Mayall, Fiscal Manager in the ETP Sacramento office.

If you need additional time to submit the Final Invoice, you may request for an extension by writing to Kulbir Mayall, Fiscal Manager in the ETP Sacramento office.

AUDIT:

Dunn Edwards will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Ms. Tolentino at (818) 755-1311 or by email at MTolentino@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

Marissa Tolentino, Contract Analyst
North Hollywood Regional Office

cc: Master File
Project File

Dale Williams, Regional Product Trainer (via e-mail)
Dunn-Edwards

Marilyn Dominguez, Vice President (via e-mail)
California Training Coalition contact rep

David Guzman, Chief, Program Operations Division (via e-mail)
Kulbir Mayall, Manager, Fiscal and Certification (via e-mail)
Master File
Project File

Date report mailed to Contractor: 10/30/08